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12 Attorneys for Defendants

13 UNITED STATES DISTRICT COURT

14 CENTRAL DISTRICT OF CALIFORNIA

15  
16 CHANEL, INC.,

17 Plaintiff,

18 v.

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20 FARIHA ALHASSEN ET AL.

21 Defendants.  
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Case No. 5:16-cv-00747-ODW-KK

**OBJECTION TO PLAINTIFF'S  
EVIDENCE IN SUPPORT OF  
MOTION FOR DEFAULT  
JUDGMENT**

Filed and Served Concurrently:

1. Declaration of Ahmad J. Lababidi

Judge: Hon. Otis D. Wright, II

Courtroom: 11

Complaint Filed: April 20, 2016

**OBJECTIONS TO EVIDENCE IN SUPPORT OF**  
**MOTION FOR DEFAULT JUDGMENT**

**I. INTRODUCTION**

Defendants have been negotiating a settlement in good faith with Plaintiff, but as is now readily apparent, Plaintiff was not negotiating in good faith with Defendants. Until only a few days ago, Defendants believed a settlement was in place, only to have Plaintiff fail to consummate the settlement. It is apparent now that Plaintiff is seeking a Judgment and had no intent on negotiating in good faith.

This matter was a set-up. Plaintiff's counsel strung along Defendant and Defendant's counsel so they would not oppose or set-aside the default, constantly claiming that they would settle the case. Then, at the last minute, they filed a motion for judgment. This has been held, as noted, to be grounds to set aside a default. And, a party has a year to set-aside a default, and that time frame has not passed.

1. There is no evidence of any damages beyond the limited claims of what was actually purchased.
2. There is no evidence of bad faith or any claim of damages other than negligent selling of products created by someone else.
3. Defendants did not create the products. They negligently sold what turned out to be counterfeit products that were wholly created by someone else.

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4. As noted in the Ex Parte Application to Set Aside The Default, the Ninth Circuit favors rulings on the merits and the merits will show that the damages to which Plaintiff is entitled to in this case would not break the limits of small claims or limited jurisdiction court in state court.
5. This is a case where a Plaintiff who is rightfully frustrated by things happening globally to its products is acting like a bully to two students who made a mistake. Instead of prosecuting the company that is making the counterfeit goods, Plaintiff has attempted to ruin the lives of two students who, albeit mistakenly, sold products in good faith which turned out to be counterfeit.
6. Mistake is a defense. Where a party believes they are reselling "parallel market" goods (goods that were actual Chanel goods that were sold for a lower price in a foreign country), juries have held there is no liability at all.
7. There is absolutely nothing in the MOTION FOR JUDGMENT which would establish the mens rea required to establish the damages sought.

1           8.     Plaintiff is aware that this was a simple mistake that a jury will likely  
2                 find was a good faith sale of what was believed to be parallel market  
3                 goods, which is not actionable.  
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5                 **OBJECTIONS TO DECLARATIONS:**

6                 **1. Objections to the Declaration of Lynnette Oka**  
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8                 The vast majority of Ms. Oka's declaration provides irrelevant information,  
9                 is comprised of hearsay and lacks foundation. Additionally, the declaration is  
10                objectionable because it provides no evidence of willful and intentional conduct.  
11                No evidence is submitted in this declaration warranting the imposition of any  
12                damages. There is nothing to show this was anything more than Defendants  
13                purchasing legitimate parallel market goods and reselling those goods here, which  
14                is legal.  
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17                **2. Objections to the Declaration of Kevin Lussier**  
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19                The vast majority of Mr. Lussier's declaration provides irrelevant  
20                information, is comprised of hearsay and lacks foundation. Additionally, the  
21                declaration is objectionable because it provides no evidence of willful and  
22                intentional conduct. No evidence is submitted in this declaration warranting the  
23                imposition of any damages. There is nothing to show this was anything more than  
24                Defendants purchasing legitimate parallel market goods and reselling those goods  
25                here, which is legal.  
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1           **3. Objections to the Declaration of Miriam Buckner**

2           The vast majority of Ms. Buckner's declaration provides irrelevant  
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4 information, is comprised of hearsay and lacks foundation. There is no foundation  
5 for identifying who Ms. Buckner is speaking with. Additionally, the declaration is  
6 objectionable because it provides no evidence of willful and intentional conduct.  
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8 No evidence is submitted in this declaration warranting the imposition of any  
9 damages. There is nothing to show this was anything more than Defendants  
10 purchasing legitimate parallel market goods and reselling those goods here, which  
11 is legal.  
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13           **4. Objections to the Declaration of Stephen Gaffigan**

14           The vast majority of Ms. Gaffigan's declaration provides irrelevant  
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16 information, is comprised of hearsay and lacks foundation. There is no foundation  
17 for the exhibits attached to Mr. Gaffigan's declaration. Additionally, the  
18 declaration is objectionable because it provides no evidence of willful and  
19 intentional conduct. No evidence is submitted in this declaration warranting the  
20 imposition of any damages. There is nothing to show this was anything more than  
21 Defendants purchasing legitimate parallel market goods and reselling those goods  
22 here, which is legal.  
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25           **5. Objections to the Declaration of Joseph Musgrove**

26           The vast majority of Mr. Musgrove's declaration provides irrelevant  
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28 information, is comprised of hearsay and lacks foundation. There is no foundation

1 for who Mr. Musgrove was e-mailing with. Additionally, the declaration is  
2 objectionable because it provides no evidence of willful and intentional conduct.  
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4 No evidence is submitted in this declaration warranting the imposition of any  
5 damages. There is nothing to show this was anything more than Defendants  
6 purchasing legitimate parallel market goods and reselling those goods here, which  
7 is legal.  
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9 **6. Objections to the Declaration of Brittni Popp**

10 The vast majority of Ms. Popp's declaration provides irrelevant information,  
11 is comprised of hearsay and lacks foundation. There is no foundation for  
12 identifying who Ms. Popp is speaking with. Additionally, the declaration is  
13 objectionable because it provides no evidence of willful and intentional conduct.  
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15 No evidence is submitted in this declaration warranting the imposition of any  
16 damages. There is nothing to show this was anything more than Defendants  
17 purchasing legitimate parallel market goods and reselling those goods here, which  
18 is legal.  
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21 DATED October 13, 2016

22  
23 /s/ S. Michael Kernan  
24 S. Michael Kernan, Esq.  
THE KERNAN LAW FIRM

25 /s/ Eric J. Menhart  
26 Eric J. Menhart, Esq. \*  
27 \* *Pending Admission Pro Hac Vice*

28 Attorneys for Defendants